

## Markets

# Eurostocks gain

**M**OST European stock markets gathered strength again yesterday afternoon after giving up some gains in mid-session.

Shares, which initially rose on the back of strong performances in Asia and receding fears of a Chinese yuan devaluation, got a second wind from a stronger dollar and firmer Dow opening.

"Things are heating up a little and it looks like we will have a breakout in euro/dollar or dollar/yen or both some time soon," said Dennis Heidt, chief dealer at Paribas.

The dollar firmed from Tuesday's 1.1553/68 euro close and quickly moved past its two week high of 1.1514 euro hit on January 12 to around 1.1510. Dealers said a sustained break of 1.1510 could put 1.1445 within reach.

It also probed the 115 yen barrier to around 115.25. Dealers expressed new optimism that Brazil's crisis might soon ease and actually allow the dollar to move higher. They welcomed news on Tuesday that Brazil's government had agreed a key austerity measure which will force retired civil servants to keep making contributions to their pensions.

Yesterday the government effectively raised interest rates by borrowing in the money market at rates of 35.5 per cent, up from 32.5 per cent on Tuesday, in bid to shore up the real after the currency opened trading lower.

"The Brazil crisis seems to be fading," Greg Schwake, a trader at Commerzbank said.

On dollar/yen, dealers feared new trade tensions between the US and Japan could cap gains. There were concerns that President Bill Clinton's impeachment trial in the Senate would drag on and hurt the dollar.

"I worry this Clinton drama may get a new lease on life and hurt the dollar," a dealer at an investment bank said.

Germany's Xetra DAX rose nearly two per cent as utility stocks surged on the government's planned delay of a ban on nuclear waste reprocessing.

The market, together with other European bourses, initially leaped after rallies in Asia. Overseas markets were cheered by China's central bank governor who said China would devalue the yuan only if there were a large balance of payments deficit and that there was less reason now to devalue than at the peak of the Asian financial crisis.

RWE surged 12 per cent and Veba rose four per cent after Chancellor Gerhard Schroeder said a ban on the reprocessing of nuclear waste due to start next year would be delayed.

SAP rose over four per cent after strong gains in the group's New York listing overnight and after the company reported a 14 per cent rise in 1998 net profit.

In London, the FTSE 100 barely held in positive territory despite the firm start on Wall Street. The UK index was pulled off its early peak by declines in British Telecom and other index heavyweight stocks such as BP Amoco, Shell and Glaxo.

Traders said shares were underpinned by strong cash position of investment funds along with hopes for further UK rate cut at Bank of England's monetary meeting next week.

British Telecom dropped 2.3 per cent as ABN AMRO advised a switch into Vodafone, which was up 2.5 per cent. Oil stocks were knocked lower by declining crude price, benchmark Brent crude dropped 10 cent a barrel to just above December's lows. BP Amoco was down 1.5 per cent.

The weight of money is still there and on any significant dips the market is being bought quite heavily, but there was no real follow-through this morning and people are still nervous of chasing the FTSE above 6,000, a dealer said.

Paris stocks also made a strong comeback after slipping back to almost flat levels at noon.

Danone was among the stars, up more than 10 per cent after net profits dispelled fears prompted by bleak sales report from Nestle. The stock was briefly suspended limit-up. (Reuters)

## Briefs

**RIO DE JANEIRO:** Brazil put on a braver face for world markets yesterday, emboldened by key reform victories in Congress that showed the country was capable of making progress toward repairing its crisis-torn economy.

Markets overseas took heart as the gloom lifted in the Latin American giant, where stocks and bonds bounced back on Tuesday, but investors were still keeping a nervous watch on Brazil's wildly swinging currency, the real.

**BEIJING:** China's central bank governor said yesterday only a large international payments deficit would force a devaluation of the yuan, and he stressed the currency was firm for now.

Dai Xianglong also told a news conference that the economy was likely to grow by around seven per cent this year after expanding by 7.8 per cent last year.

**TOKYO:** US officials from the president down will do their "utmost" to prevent simmering US-Japan trade spats from becoming the sort of bitter dispute which soured ties four years ago, a senior US trade official vowed yesterday.

"The president of the United States, Ambassador (US Trade Representative Charlene) Barshefsky and I and everybody involved in this process will work to our utmost to make sure that doesn't occur," Deputy US Trade Representative Richard Fisher told Reuters Television in an interview.

**HONG KONG:** Hong Kong bankers reacted with scepticism to comments by China's central bank governor yesterday that debt of failed Guangdong International Trust and Investment Corp (GITIC) could be restructured.

"How can you restructure GITIC's debt when GITIC has been shut down and declared bankrupt? Who will operate its assets?" asked a Hong Kong-based foreign banker.

**MOSCOW:** Russia's upper house of parliament, the Federation Council, might block the 1999 draft budget because of its perceived bias against the regions, the chamber's speaker said on Wednesday.

Interfax news agency quoted Yegor Stroyev as saying the draft document, which has already cleared two of four required readings in the lower house State Duma, that amendments were needed to safeguard the regions' interests.

**BONN:** German Chancellor Gerhard Schroeder's government said yesterday it was concerned about the prospect of deflation as the country's inflation rate continued to decline.

In its annual economic report released yesterday in Bonn, the government said falling import and producer prices had to be watched closely.

**PARIS:** French energy group Total SA yesterday reported a nine per cent fall in 1998 net income due primarily to a steep drop in the price of oil. (Reuters)

# Groups issue call to cancel Latin America's debt

**R**EPRESENTATIVES from the Catholic Church and groups from across Latin America have called for the region's foreign debt of over \$600 billion to be written off the books, saying it was unpayable and strangling the poor.

"The foreign debt is a whip that is lashing the poorest people in Latin America," said Monsignor Oscar Rodriguez, president of the Latin American Episcopal Council and archbishop of Tegucigalpa. "But forgiving the debt should go hand-in-hand with an end to corruption."

Rodriguez spoke at the opening of the three-day

"First Latin American Conference on Debt Cancellation" being held in the Honduran capital this week.

According to data released at the conference, at the end of 1997 Latin America's foreign debt reached \$614.5 billion, 70 percent of which owed by Argentina, Brazil and Mexico.

"It's unpayable because indebted countries have fallen into insolvency and no matter how many times it's renegotiated, there will be no way to repay it," said Francisco Machado, president of the Forum for Cancelling Honduras's Foreign Debt. (Reuters)



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## COURT NOTICE

It is hereby notified that by a decree of the 24th September 1998 the First Hall of the Civil Court has ordered the publication of the bann which appears hereunder for the purposes of section 93(3) of the Code of Organisation and Civil Procedure, Chapter 12.

Bann for curators

REPUBLIC OF MALTA

To the Marshal of The Court

Whereas by decree given by the Court on the 24th September 1998, on request of Kama II Shipping Co. Ltd., Antaris Shipping Co. Ltd., Ferrum Shipping Co. Ltd. and Eridan Shipping Ltd., it was ordered that Deputy Curators be chosen to represent Stanislav Filatov and his wife Irina Filatova in the records of the warrant of Prohibitory Injunction in the names Kama II Shipping Co. Ltd et al v Stanislav Filatov et al and in other relative and subsequent acts.

By means of an application filed in the First Hall of the Civil Court on the 15th September 1998 the Companies Kama II Shipping Co. Ltd., Antaris Shipping Co. Ltd., Ferrum Shipping Co. Ltd. and Eridan Shipping Ltd. against the respondent Stanislav Filatov son of Viktor and Alevtina nee Dubovikova born in Nizhny Novgorod, Russia presently residing in the United States, Russian Passport 210494276 and Maltese Identity Card 0911121a and the absent Irina Filatova wife of Stanislav Filatov daughter of Alexander Veronin and Faina nee Kurova born in Rostov-on-Don Russia, presently residing in the United States of America, having Russian Passport Number 210696728.

For the issuing of a Warrant of prohibitory injunction against the respondent so that he be prohibited from selling, alienating, transferring or disposing "their own" or by onerous or gratuitous title any property and in particular the villa semi-detached with the name "ECHUCA" previously "The Valley Villa" without number in Tal-Francis Street, Tal-Ibraq, Saint Andrew's limits of Saint Julian/Virkirkura so that there be cautioned the credit of six hundred thousand Maltese liri (Lm600,000) money due as reimbursement to applicant companies which were misappropriated by respondent Stanislav Filatov to the advantage of respondents and their families.

You are therefore ordered to affix an official copy of this bann in the lobby of this Superior Court and to summon whosoever wishes to act as curator to appear before this Registry within six days, and by means of a minute to submit a declaration that he wishes so to act.

You are also ordered to inform each one that if he fails to make this declaration within the stipulated time, this Court will proceed to the selection of curators of office.

And after so acting, or if you should encounter any difficulty in the execution of the said bann, you are to inform forthwith this Court.

Given by the aforementioned First Hall of the Civil Court with the witness of the Hon. Gino Camilleri, LL.D., Doctor of Laws, Judge of the aforementioned Courts,

This 24th day of September, 1998